

ORDINANCE NO. 2007-3

AN ORDINANCE AUTHORIZING THE CITY OF ROCKPORT, INDIANA, TO REOFFER ITS "POLLUTION CONTROL REVENUE REFUNDING BONDS (INDIANA MICHIGAN POWER COMPANY PROJECT), SERIES 2002 A," IN AN AGGREGATE PRINCIPAL AMOUNT OF \$50,000,000 AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO.

WHEREAS, the City of Rockport, Indiana (the "Issuer"), is authorized by IC 36-7-11.9 and IC 36-7-12, as amended (collectively, the "Act"), and by IC 5-1-5, as amended, to issue revenue bonds for the financing of pollution control facilities and to issue revenue bonds to refund and refinance such revenue bonds; and

WHEREAS, Indiana Michigan Power Company (formerly Indiana & Michigan Electric Company) (the "Company") previously initiated the acquisition, construction, installation and equipping of certain pollution control facilities (the "Project") at the Company's Rockport Generating Station, and a portion of the Project was financed and refinanced through the currently outstanding \$50,000,000 City of Rockport, Indiana, Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series 2002 A (the "Series 2002 A Bonds"); and

WHEREAS, the Company has advised the Issuer that the Company proposes to reoffer the Series 2002 A Bonds as "long-term rate" securities; and

WHEREAS, in connection with the proposed reoffering of the Series 2002 A Bonds, the Company has proposed various amendments and modifications to the relevant financing documents; and

WHEREAS, it would appear that such reoffering of the Series 2002 A Bonds would be of public benefit to the health, safety and general welfare of the Issuer and its citizens and complies with the purposes and provisions of the Act and IC 5-1-5, as amended; and

WHEREAS, substantially final forms of the Amended and Restated Seventh Supplemental Indenture of Trust, the Sixth Amendment to Agreement of Sale and the form of City of Rockport, Indiana, Pollution Control Revenue Refunding Bonds (Indiana Michigan Power Company Project), Series 2002 A (hereinafter collectively referred to as the "Financing Documents"), and the Reoffering Circular relating to the Series 2002 A Bonds, all relating to the reoffering and sale of the Series 2002 A Bonds as long-term rate securities in the principal amount of Fifty Million Dollars (\$50,000,000) have been submitted to and reviewed by the Issuer;

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF ROCKPORT, INDIANA:

SECTION 1. It is hereby found that the financing referred to in the Financing Documents consisting of the reoffering of the Series 2002 A Bonds as long-term rate securities will be of benefit to the health and general welfare of the Issuer and its citizens and does comply with the purposes and provisions of the Act.

SECTION 2. The forms of the Financing Documents and the Reoffering Circular are hereby approved and all such documents shall be inserted in the minutes of the Common Council and kept on file by the Clerk-Treasurer. Two (2) copies of the Financing Documents and the Reoffering Circular are on file in the office of the Clerk-Treasurer for public inspection.

SECTION 3. Rule 15c2-12(b)(1) of the Securities Exchange Act of 1934, as amended (the "SEC Rule"), provides that, prior to the time a participating underwriter bids for,

purchases, offers or sells municipal securities, the participating underwriter shall obtain and review an official statement that an issuer of such securities deems final as of its date, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the securities depending on such matters. The Mayor, the Clerk-Treasurer or any other officer of the Issuer familiar with the matters with respect to the Issuer set forth in the Reoffering Circular is hereby authorized to certify to the Purchasers (as defined in the Financing Documents) that the information in the Reoffering Circular with respect to the Issuer is deemed to be final within the meaning of the SEC Rule prior to the distribution of the Reoffering Circular.

SECTION 4. The Issuer shall reoffer and sell its Series 2002 A Bonds in an aggregate principal amount of \$50,000,000 for the purpose of refinancing the outstanding \$50,000,000 principal amount of the Series 2002 A Bonds. The Series 2002 A Bonds will be payable as to principal, premium, if any, interest and Purchase Price solely from the payments made by the Company under an Agreement of Sale dated as of June 1, 1980, as amended, and as to be further amended by the Sixth Amendment to Agreement of Sale (as so amended, the "Agreement") in the principal amount equal to the aggregate principal amount of the Bonds issued, which Agreement evidences and secures said loan, and as otherwise provided in the above described Financing Documents. The Series 2002 A Bonds shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the Issuer.

SECTION 5. The Clerk-Treasurer is authorized and directed to sell and deliver the Series 2002 A Bonds to the Purchasers designated in the Contract for Purchase to be entered into between the Company and such Purchasers at a price equal to the aggregate principal amount

thereof, plus accrued interest, if any, at a per annum rate of interest to be determined as set forth in the Financing Documents but not to exceed 18% and including a premium or discount not to exceed 3%. The use of a Reoffering Circular in substantially the same form as the Reoffering Circular approved herein is approved for use and distribution by the Purchasers and their agents in connection with the marketing and reoffering of the Series 2002 A Bonds.

SECTION 6. The Mayor and Clerk-Treasurer are authorized and directed to execute those Financing Documents approved herein which require the signature of the Mayor and Clerk-Treasurer and any other document which may be necessary or desirable to consummate the transaction, and their execution is hereby confirmed, on behalf of the City of Rockport. The signatures of the Mayor and Clerk-Treasurer on the Series 2002 A Bonds may be facsimile signatures. The Clerk-Treasurer is authorized to arrange for the delivery of the Series 2002 A Bonds to the purchaser or purchasers thereof, payment for which will be made in the manner set forth in the Financing Documents. The Mayor and Clerk-Treasurer may by their execution of the Financing Documents requiring their signatures and imprinting of their facsimile signatures on the Bonds or their manual signatures thereof approve changes therein and also in those Financing Documents which do not require the signature of the Mayor and/or Clerk-Treasurer without further approval of this Common Council if such changes do not affect terms set forth in this Ordinance and the Financing Documents pursuant to Indiana Code 36-7-12-27(a)(1) through (a)(10).

SECTION 7. The provisions of this Ordinance and the Financing Documents shall constitute a contract binding between the Issuer and the holder or holders of the Series 2002 A Bonds and after the issuance of said Series 2002 A Bonds this Ordinance shall not be

repealed or amended in any respect which would adversely affect the right of such holder or holders so long as said Series 2002 A Bonds or the interest thereon remains unpaid.

SECTION 8. This Ordinance shall be in full force and effect upon adoption and compliance with Indiana Code 36-4-6-14.

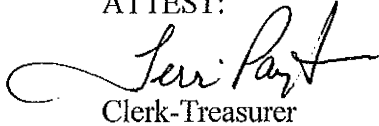
* * *

The foregoing was passed by the Common Council this 24th day of April, 2007,
at City Hall.



Mayor of the City of Rockport, Indiana

ATTEST:



Clerk-Treasurer

Presented by me to the Mayor this 24 day of April, 2007, at 8:00 p.m.

Clerk-Treasurer of the City of Rockport, Indiana

Approved and signed by me this 24 day of April, 2007.

Mayor of the City of Rockport, Indiana